

I am Krysta Harden, Chief Executive Officer of the National Association of Conservation Districts (NACD). As we move toward the next Farm Bill reauthorization cycle, I want to thank you for this opportunity to appear before the subcommittee and share with you the conservation district perspective on implementation of the conservation title of the 2002 Farm Bill, and in particular, the long-term policy needs for the Conservation Reserve Program. I would like to request that my statement be included as part of the official record of the hearing along with the attached statements previously submitted to the Farm Service Agency by the Sustainable Agriculture Coalition and NACD. Also, please note the attached letter addressing CRP issues that was submitted jointly to FSA on July 19 by nine different organizations.

NACD is the nongovernment organization that represents the nation's 3,000 conservation districts and the more than 16,000 men and women - district officials - who serve on their governing boards. Conservation districts are local units of government established under state laws to carry out natural resource management programs at the local level. Conservation districts, with their 7,800 employees, work closely with USDA and other federal and state agencies, as well as private sector organizations, to provide technical and other assistance to millions of landowners and operators to help them manage and protect the nation's land, water and related resources. Conservation districts provide the linkage for delivering many federal, state and other local natural resource programs at the local level.

It is appropriate that the subcommittee begin its foray into the 2007 reauthorization milieu by examining one of the oldest, largest and most successful Farm Bill conservation programs--the Conservation Reserve Program.

The CRP, with its added enhancements--the Continuous CRP (CCRP) for buffers and other conservation practices, the Conservation Reserve Enhancement Program (CREP) and the specialized signups for bottomland hardwoods and wetlands conservation--has truly evolved into one of the most successful conservation efforts in our nation's history. The program has been especially successful in dramatically reducing erosion on fragile cropland, improving water quality and in providing critical habitat for wildlife on America's private lands.

Today, as throughout CRP's 20-year history, conservation districts play a significant role in implementing the program by identifying resource concerns, establishing priorities, identifying potential CRP lands and assisting in the development of CRP conservation plans. Under the CRP statute, conservation districts are also the entities that approve the final CRP conservation plans. All this adds up to making the CRP a truly locally led program; and it is critical in the long-term policy guiding implementation of the CRP that it remain so with decisions made as close to the land as possible.

While it is important to look at the CRP long-term policy for 2007 Farm Bill and beyond, a critical juncture looms on the horizon as the new re-authorization occurs: Between September 30, 2007, and 2010, CRP contracts for more than 28.7 million acres are scheduled to expire. That makes it imperative that we begin now to put in place sound policies and administrative procedures to maximize CRP's environmental benefits and reduce its administrative costs by enrolling, re-enrolling and allowing for contract extensions on eligible environmentally sensitive lands.

In doing this, we urge the Department not to make extensive use of automatic re-enrollments as

the principal way of managing the technical assistance and administrative workload. Many of the lands enrolled in the CRP are in need of additional conservation planning and treatment if they are to be re-enrolled and thus we question whether automatic re-enrollments would be a big workload savings. Re-enrollments with competition would help to ensure that the most environmentally sensitive lands are retained in the CRP. In addition, a significant portion of the expiring contract acreage will likely be returned to crop production and other uses and this land, too, will need conservation treatment.

We do not support the extensive use of early or automatic re-enrollments. Some of our organizations have proposed allowing very limited automatic early re-enrollments of CRP lands of exceptional environmental value, while others have strongly opposed any automatic or early re-enrollment. We are united, however, in our strong opposition to allowing extensive automatic re-enrollments, and in our strong preference for the combination of targeted, staggered extensions and competitive bidding. We also agree that there are certain categories which should not be extended under any circumstances unless the CRP participant is willing to commit to management or vegetative changes.

As exiting acreage is re-enrolled and/or contracts extended and new acreage is enrolled, conservation districts support maintaining in the CRP long-term policy the balance among soil erosion, water quality, and wildlife as principal benefits sought to be derived from the program. The Farm Bill, as it has been amended, specifically provides for a balance in CRP's environmental goals among those benefits. In addition, conservation districts support weighing the acceptability of extension and re-enrollment offers based upon the likelihood of the producer maintaining existing conservation practices beyond a contract period.

We support in the long term an emphasis on planting native vegetation where new cover is required to be put in place. Although we support the use of planting historically native vegetation, we do not believe it is always wise, necessary or economically practical to require a producer to remove existing non-native vegetation for that purpose, unless the existing vegetation includes invasive species, and additional incentives are provided to assist the landowner with re-vegetation.

We support the continued refinement and use of the Environmental Benefits Index to determine the acceptability of CRP offers. Further, CRP enrollment should continue targeting through the use of the EBI those lands achieving the highest environmental benefit at the most cost-efficient rental payment level. We also believe that the EBI should continue to reflect local and state input. States should have the flexibility to choose from criteria that results in an EBI appropriate to their unique local and state priorities and resource needs. For instance, if soil productivity and soil erosion are major concerns, the EBI should be structured to account for a mix of on-site as well as offsite soil erosion benefits.

Somewhat related to the EBI, there needs to be better monitoring and evaluation of the physical and biological benefits of the various CRP-related programs. For example, we have very incomplete knowledge on the impacts of CRP on at-risk species and habitats, and water quality. Better information can be partially obtained by permanent and continuous support for the Conservation Effects Assessment Program (CEAP) now underway at FSA and NRCS.

We encourage flexibility in the policy to make the CRP more geographically dispersed and

useful to producers in all parts of the country. CREP and the CCRP, for example, have broadened the geographic impact of the program somewhat. However, to date these add-ons have not resulted in high sign-up rates, especially in the specialty crop areas in states such as Florida, California, Oregon and Washington. In order to expand participation, rental rates have to be based on fair market value of the landowner's property, including its agricultural rental value. In other words, rental rates need to be adjusted upward to accurately reflect land values in different geographic areas.

In addition, to geographic distribution, conservation districts support the approach used in the CREP through which states identify priorities and provide matching resources to address local and state natural resource issues that also address national conservation priorities. We also support the continuation of the of the acreage set-aside and approach used in the continuous CRP enrollments, including acres eligible under CREP, the FWP, and wetland and bottomland hardwood tree restoration, and other initiatives such as isolated wetland restoration initiative and the northern bobwhite quail habitat initiative.

In closing, we applaud leadership in the Senate for their diligence and support in the enactment of S. 2856 last December. This important legislation "fixed" the technical assistance dilemma that had plagued both the CRP and WRP since their re-authorization in 2002. By allowing CRP, and WRP, to pay for their own technical assistance, we'll be assured that the FSA has the resources and the ability to utilize the services of a broad array of partners such as NRCS, state fish and game biologists, local conservation districts, and some non profit organizations' staffs to ensure that adequate technical assistance is available to meet the full program requirements. It also will allow the Technical Service Provider initiative to more effectively meet some of the workload that is incurred with implementation of CRP.

Finally, the organizations authoring this statement many years experience in implementing and maintaining the CRP as one of the nation's most successful conservation efforts. We strongly encourage the Congress and USDA to fully utilize our capacities to continue its success. We appreciate the opportunity to provide our views.